2021 Reimbursement:

What Your Practice Needs to Know

Elizabeth Woodcock, MBA, FACMPE, CPC

FEBRUARY 5, 2021

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Healthcare CPAs & Advisors

Practice Success Plan

Single-Owner Healthcare Practices

Jones Roth CPAs & Business Advisors

Financial & Operational Advisory for Providers & their Practices

Our comprehensive suite of services is designed for medical practices owned by a single provider who is seeking to maximize operational and financial performance. Clients expect us to provide a proactive, forward-looking advisory perspective. Rather than simply providing year-end tax preparation, we contribute value throughout the year that results in superior financial management. We also support practice owners in their personal tax, retirement planning, and financial management success.

Communication: The Key to Success

We stay in close communication with you throughout the year to make sure you always know what's coming up next and what we need from you. We focus on staying in touch with quarterly meetings, which give our clients the chance to look back, assess the current situation, plan ahead, and get advice on the issues that matter most to their success.

Your Healthcare Finance Team

Our advisory role includes work as a remote finance team to fill the gap with executive level business management expertise. We work with Practice Owners and Practice Managers to provide specialized financial management expertise that strategically supports the success of the management team.

Example of Quarterly Meeting Schedule

Q1	Q2	Q3	Q4
Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
Tax Return & Goal Setting	Benchmarking & Revenue Cycle Management	Retirement Plan Design & Planning	Physician Goal Setting & Strategic Planning

A GOOD FIT?

OUR CLIENTS VALUE:

Proactive Engagement
A proactive and engaged relationship with their Practice Advisor

Excellence & Openness
A practice culture that strives for excellence and is open to utilize new strategies

A Team Environment
A team environment where each individual's contribution is valued and contributes to the success of the practice

Clarity & Accuracy
Clear and accurate financial performance reporting

Peace of Mind
A peace of mind that comes from knowing that they are operating a practice with a strategic plan guided by a qualified Practice Advisor

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Strategic Planning & Consulting

A strategic financial partner to help you develop and implement a long term vision for success

Practice Benchmarking

Insight into your practice's overall health compared to other local medical practices and industry metrics. Analysis of performance and recommendations on specific actions for improvement.

ADDITIONA

Revenue Cycle Optimization, Coding Review, RVU Analysis

Revenue cycle expertise for optimized revenue management based on your goals and opportunities. Includes contract assessment and negotiation and fee structure analysis & optimization.

Practice Value Planni

Practice value assessme transferring equity, buy

Real Estate Services

Buy, sell, lease, feasibilit analysis, cost segregatio

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Nicole McOmber, CPA* Partner & Shareholder

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Our Team...

- Provides accounting, tax planning, retirement planning, and practice advisory services – all under one roof
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Speaker Bio

Elizabeth W. Woodcock, MBA, FACMPE, CPC
Speaker, Author, Trainer | www.elizabethwoodcock.com

- DrPH Candidate, *Bloomberg School of Public Health, Johns Hopkins University*
- MBA, *Wharton School of Business, University of Pennsylvania*
- BA, *Duke University*
- Fellow, *American College of Medical Practice Executives*
- Certified Professional Coder
- Author, 17 textbooks and more than 500 articles
- Founder and Principal, *Woodcock & Associates*
- Founder and Executive Director, *Patient Access Collaborative*
- Former Consultant, *Medical Group Management Association; Group Practice Services Administrator; University of Virginia Health Services Foundation; Former Senior Associate, Health Care Advisory Board*

Reimbursement: What Your Practice Needs to Know

By Elizabeth W. Woodcock, MBA, FACMPE, CPC

…for your service to the health and well-being of our communities!

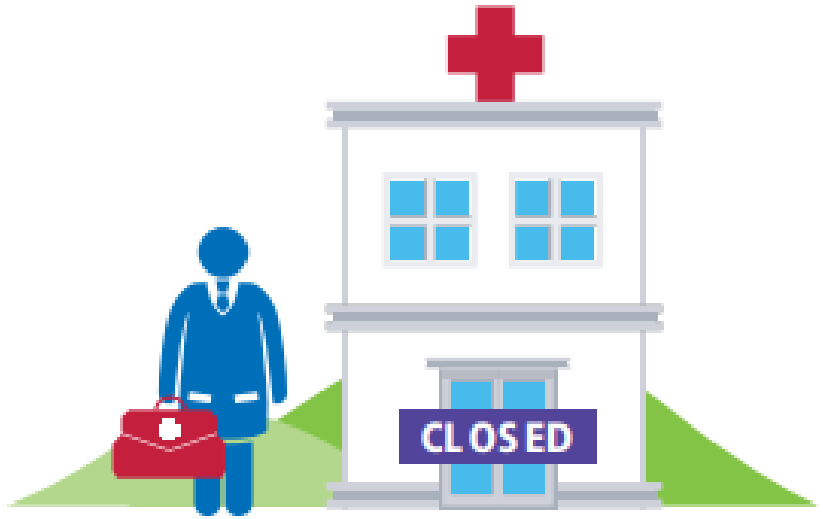
Agenda

- Unprecedented Times
- Medicare Reimbursement
- CPT 2021
- Telemedicine
- New Administration
- Patient Financial Accountability
- Q&A Period

Unprecedented Times

97% of medical practices reported negative financial impact.

- MGMA Stat Poll, April 2020

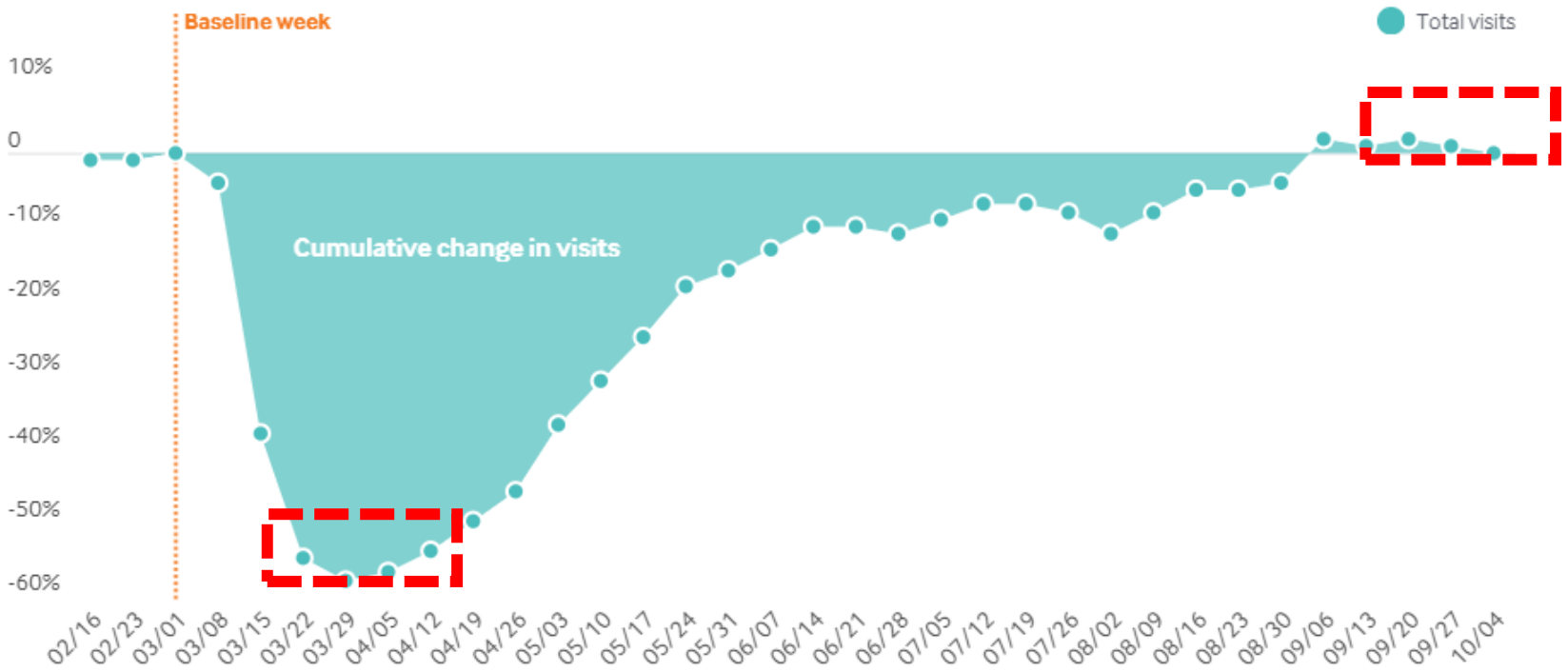


8 percent of physicians have closed their practices as a result of COVID-19.

- Physicians Foundation, August 2020

Unprecedented Times

Visits to ambulatory providers fell nearly 60 percent by early April. Since then visits have rebounded, returning in the past month to prepandemic levels.



Note: Data are presented as a percentage change in the number of visits in a given week from the baseline week (March 1–7).
Source: Ateev Mehrotra et al., The Impact of the COVID-19 Pandemic on Outpatient Care: Visits Return to Prepandemic Levels, but Not for All Providers and Patients (Commonwealth Fund, Oct. 2020). https://doi.org/10.26099/41xy-9m57

Unprecedented Times

Impacts

- Encounters with young children (0 to 5 yoa) have **not** returned to baseline
- Return to baseline **varies by specialty**, with dermatologists, urologists, and adult PCPs exceeding baseline – and many below (ENT, Cardiology, etc.)
- **Large practices** (6+) seeing more than baseline; small practices lower
- Telemedicine **stabilized at ~6%** of outpatient visits, but varies by specialty (e.g., 41% in behavioral health) and practice size

These impacts translate into financial effect on physician practices

Findings extracted from: Ateev Mehrotra et al., The Impact of the COVID-19 Pandemic on Outpatient Care: Visits Return to Prepandemic Levels, but Not for All Providers and Patients. (Commonwealth Fund, Oct. 2020). https://doi.org/10.26099/41xy-9m57

Medicare Reimbursement

2021 Conversion Factor is finalized at $32.41, down from $36.09 in 2020.

2020: 0.14%
2019: 0.11%
2018: 0.31%
2017: 0.24%

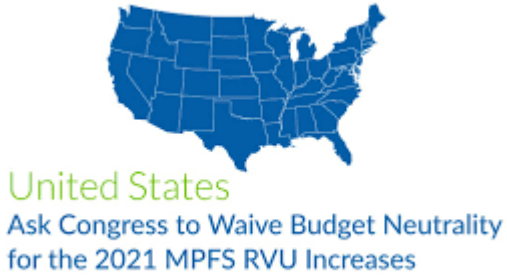
- Medicare Physician Fee Schedule (PFS) Final Rule, December 1, 2020

2021… Anesthesia CF: $20.0547
FQHC update: +1.7%

https://www.cms.gov/files/document/12120-pfs-final-rule.pdf

Medicare Reimbursement

The cry for change came immediately after the Final Rule's release…



Medicare Reimbursement

Why?

Budget Neutrality

of the Medicare spend

The 10% cut was required in order to pay for this……

CPT	2020 wRVU	2021 wRVU	% Chng
99211	0.18	0.18	0%
99212	0.48	0.70	46%
99213	0.97	1.30	34%
99214	1.50	1.92	28%
99215	2.11	2.80	33%
99202	0.93	0.93	0%
99203	1.42	1.60	13%
99204	2.43	2.60	7%
99205	3.17	3.50	10%

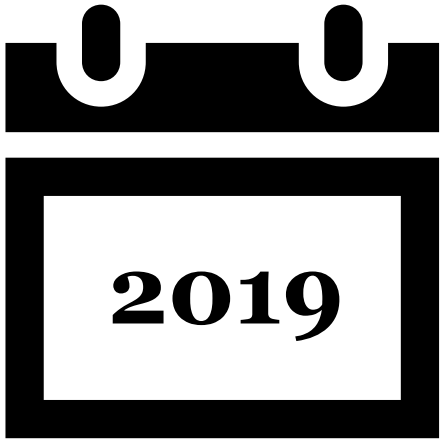
https://www.cms.gov/files/document/12120-pfs-final-rule.pdf

Medicare Reimbursement

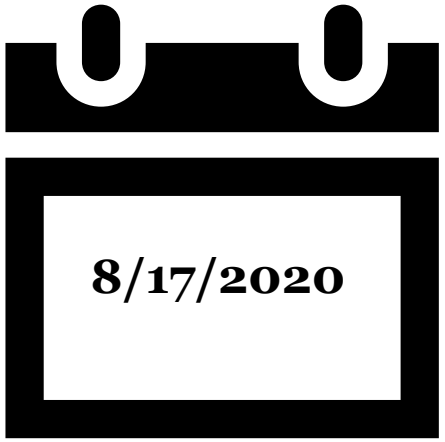
If you perform a lot of office-based evaluation and management services…

not so good news if you don’t!

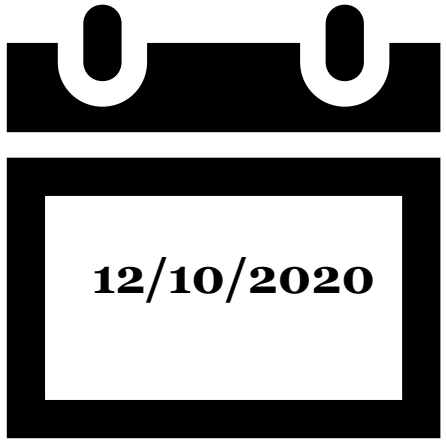
Medicare Reimbursement



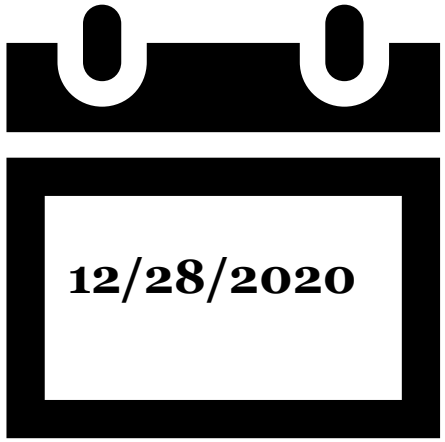
E/M Changes Announced by AMA; CMS – Will tip reimbursement to office visits



Proposed Rule Foreshadows Reimbursement Plummet for 2021 based on required Budget Neutrality



Final Rule Confirms 10% Decline



Decline Softened by Congressional Intervention*; Stands at 5% Decrease

**COVID Emergency Funding*

Medicare Reimbursement

CY2021 Combined Specialty Impact with New Medicare Physician Payment Schedule & Anesthesia Conversion Factors, Updated RVUs and without G2211

Specialty	Allowed Charges (mil) (as displayed in CY2021 MFS Final Rule Prior to Legislative Impact)	CY2021 MFS Final Rule Previous Combined Impact (as displayed in CY2021 MFS Final Rule Prior to Legislative Impact)	Legislative Impact - CY2021 Combined Impact with New MFS CF of $34.8931, Anesthesia CF of $21.5600 and without G2211
ALLERGY/IMMUNOLOGY	$ 247	9%	8%
ANESTHESIOLOGY	$ 2,020	-8%	-1%
AUDIOLOGIST	$ 75	-6%	3%
CARDIAC SURGERY	$ 266	-8%	-2%
CARDIOLOGY	$ 6,871	1%	4%
CHIROPRACTOR	$ 765	-10%	-2%
CLINICAL PSYCHOLOGIST	$ 832	0%	8%
CLINICAL SOCIAL WORKER	$ 857	1%	9%
COLON AND RECTAL SURGERY	$ 168	-5%	2%
CRITICAL CARE	$ 378	-7%	0%
DERMATOLOGY	$ 3,767	-1%	5%
DIAGNOSTIC TESTING FACILITY	$ 748	-3%	0%

https://www.ama-assn.org/system/files/2021-01/2020-combined-impact-table.pdf **Appendix!**

Medicare Reimbursement

Changes in Work Relative Value Units means…

Altered reimbursement from any payer that uses the Medicare Resource-based Relative Value Scale

but also consider the impact on **physician compensation** formulas

Medicare Reimbursement

New Medicare Codes			
	Visit Complexity Associated with Certain Office/Outpatient E/Ms	**G2211 (formerly GPC1X)**	Visit complexity inherent to evaluation and management associated with medical care services that serve as the continuing focal point for all needed health care services and/or with medical care services that are part of ongoing care related to a patient's single, serious condition or a complex condition. (Add-on code, list separately in addition to an evaluation and management visit, new or established)
	Prolonged Services	**G2212 (formerly 99XXX)**	Prolonged office or other outpatient evaluation and management service(s) beyond the maximum required time of the primary procedure which has been selected using total time on the date of the primary service; each additional 15 minutes by the physician or qualified healthcare professional, with or without direct patient contact (List separately in addition to CPT codes 99205, 99215 for office or other outpatient evaluation and management services)

Medicare Reimbursement

Special Services, Procedures and Reports

●99072	Additional supplies, materials, and clinical staff time over and above those usually included in an office visit or other non-facility service(s), when performed during a Public Health Emergency as defined by law, due to respiratory-transmitted infectious disease

"…[A]ccounts for additional supplies, materials, and clinical staff time required for patient symptom checks over the phone and upon arrival, donning and removing PPE, and increased sanitation measures to prevent the spread of communicable disease…" -- AMA

See September 2020 CPT Assistant:
https://www.ama-assn.org/system/files/2020-09/cpt-assistant-guide-coronavirus-september-2020.pdf

Medicare Reimbursement

99072

CMS (12/1/20): Issuing a 60-day interim rule to seek public opinion about payment for this code

Medicare Reimbursement

Federal Sequestration (2%)

Lifted as of DOS May 1, 2020 through December 31, 2020 – Extended again through March 31, 2021.
…Make sure your MA plans are complying.

Medicare FFS Claims: 2% Payment Adjustment Suspended (Sequestration)
Section 3709 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act temporarily suspends the 2% payment adjustment currently applied to all Medicare Fee-For-Service (FFS) claims due to sequestration. The suspension is effective for claims with dates of service from May 1 through December 31, 2020. -- MLNConnects Special Edition Friday, April 10, 2020. Updated December 28, 2020 via COVID-19 Emergency Funding.

DOS = date of service; MA = Medicare Advantage

Medicare Reimbursement

CMS' Quality Payment Program

2021 Payment Adjustment Year based on **2019 Performance Year**

1.79%

Maximum Adjustment

Medicare Reimbursement

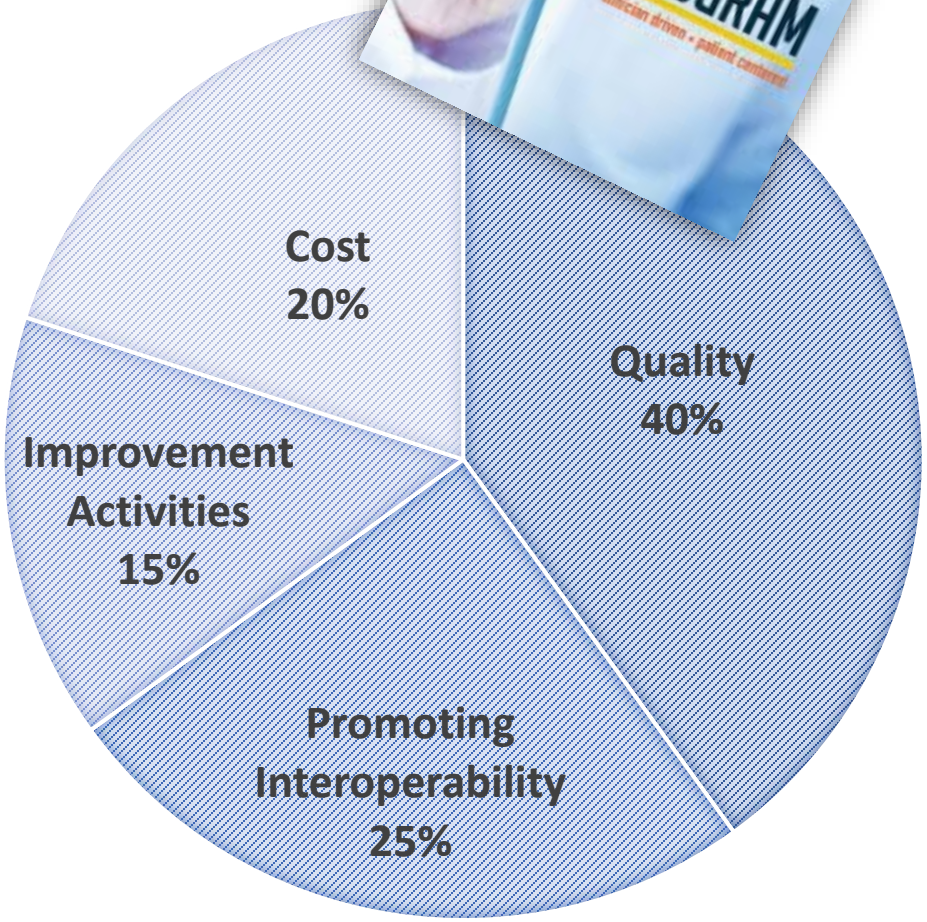
CMS' Quality Payment Program

2022 Payment Adjustment Year based on **2020 Performance Year**

Penalty will be applied to all 2022 Medicare reimbursement unless participate and report by March 31, 2021 – or applied for the exemption (which was due February 1).

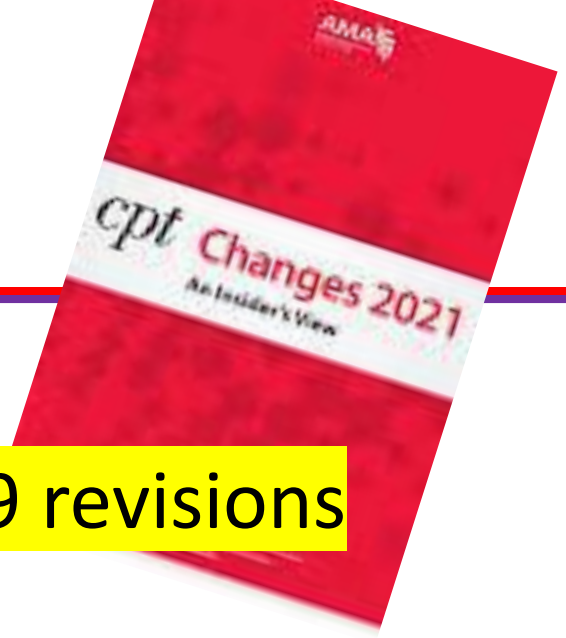
Medicare Reimbursement

CMS' Quality Payment Program



- **Pushed back MVP Launch**
- **Using 2019 Data for Benchmarks**
- **Bonus for "Complex Patients" is 10 Points**
- **2021 Threshold is 60 Points (to avoid penalty); Additional Boost at 85 Points →**
  2022 is Final Year

CPT 2021



206 new codes, 54 deletions, and 69 revisions

- Medical testing services
- Coronavirus vaccines; administration codes
- Retinal imaging
- External extended electrocardiogram (ECG) monitoring

Specialty Society

CPT 2021

Code Selection

(1) Medical Decision Making
or
(2) Total Time on Day of Encounter

Eliminating history and physical exam as elements for code selection.

Source: AMA
For more information, https://www.ama-assn.org/practice-management/cpt/cpt-evaluation-and-management

CPT 2021

(Minimum) Time Incorporates non-face-to-face work on the day of the encounter

- Reviewing tests in preparation for a patient's visit.
- Counseling or educating a patient, family or caregiver.
- Reporting test results to a patient by phone.
- Ordering medications, tests or procedures.
- "Pajama time" documentation work performed at home.

Source: AMA. For more information, https://www.ama-assn.org/practice-management/cpt/cpt-evaluation-and-management

CPT 2021

Medicare:

G2252 -- *Brief communication technology-based service, e.g. virtual check-in, by a physician or other qualified health care professional who can report evaluation and management services, provided to an established patient, not originating from a related E/M service provided within the previous 7 days nor leading to an E/M service or procedure within the next 24 hours or soonest available appointment; 11-20 minutes of medical discussion.*

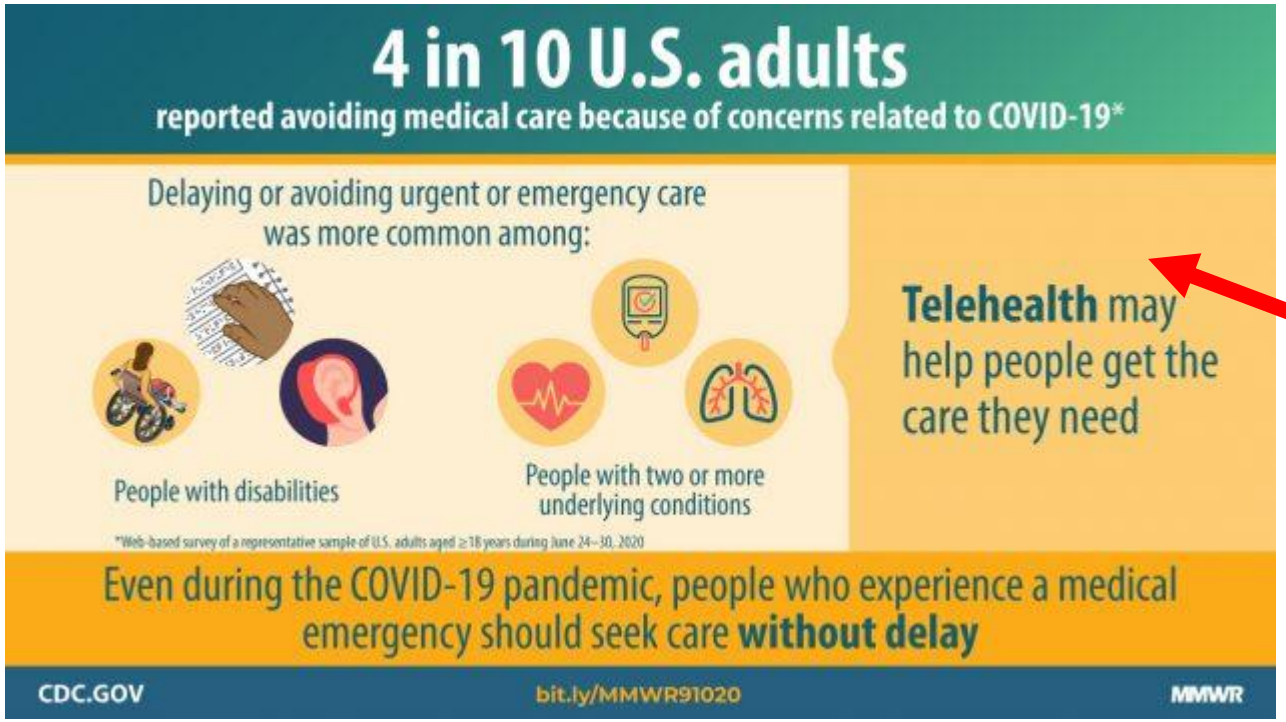
Telemedicine

"I think ***the genie's out of the bottle on this one…***

I think it's fair to say that the advent of telehealth has been just completely accelerated, that it's taken this crisis to push us to a new frontier, but there's absolutely no going back."

- Seema Verma, CMS administrator (2020)

Telemedicine



CDC September 2020 MMWR

Migrated into a public health issue

Telemedicine

mlnconnects

Official CMS news from the Medicare Learning Network®

MEDICARE LEARNING NETWORK 20 YEARS EST. 2000

Special Edition – Tuesday, December 1, 2020

Trump Administration Finalizes Permanent Expansion of Medicare Telehealth Services and Improved Payment for Time Doctors Spend with Patients

Source: CMS MedLearn Matters December 1, 2020

Telemedicine

Permanent Additions to Medicare Telehealth Services

Services	CPT Codes
Group Psychotherapy	90853
Domiciliary, Rest Home, or Custodial services, Established Patients	99334-99335
Home Visits, Established Patient	99347-99348
Visit Complexity Inherent to Certain Office/Outpatient E/Ms	G2211
Prolonged Services	G2212
Psychological and Neuropsychological	96121

Allow

Direct supervision; "incident to" billing

"Category 3"

Services to remain temporarily on the Medicare telehealth list through the end of the year in which the PHE for COVID-19 ends

https://www.cms.gov/Medicare/Medicare-General-Information/Telehealth/Telehealth-Codes

Telemedicine

April 20, 2021

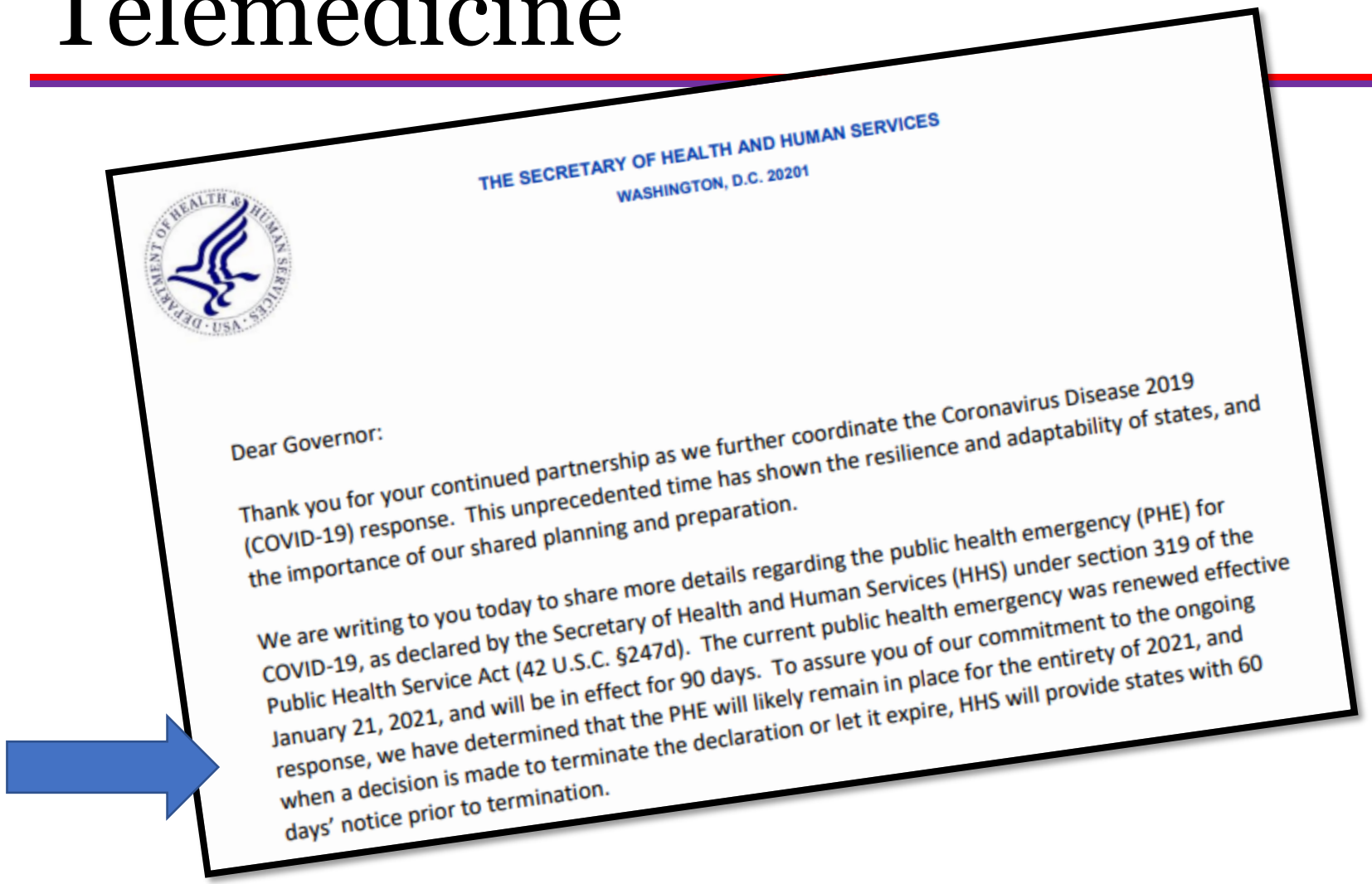
Renewal of Determination That A Public Health Emergency Exists

As a result of the continued consequences of the Coronavirus Disease 2019 (COVID-19) pandemic, on this date and after consultation with public health officials as necessary, I, Alex M. Azar II, Secretary of Health and Human Services, pursuant to the authority vested in me under section 319 of the Public Health Service Act, do hereby renew, effective January 21, 2021, my January 31, 2020, determination, that I previously renewed on April 21, 2020 October 23, 2020, my January 31, 2020, determination, that I previously renewed on April 21, 2020, July 23, 2020, and October 2, 2020, that a public health emergency exists and has existed since January 27, 2020, nationwide.

January 7, 2021
_____
Date

/s/
_____
Alex M. Azar II

Telemedicine



THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

Dear Governor:

Thank you for your continued partnership as we further coordinate the Coronavirus Disease 2019 (COVID-19) response. This unprecedented time has shown the resilience and adaptability of states, and the importance of our shared planning and preparation.

We are writing to you today to share more details regarding the public health emergency (PHE) for COVID-19, as declared by the Secretary of Health and Human Services (HHS) under section 319 of the Public Health Service Act (42 U.S.C. §247d). The current public health emergency was renewed effective January 21, 2021, and will be in effect for 90 days. To assure you of our commitment to the ongoing response, we have determined that the PHE will likely remain in place for the entirety of 2021, and when a decision is made to terminate the declaration or let it expire, HHS will provide states with 60 days' notice prior to termination.

2021 ?

https://ccf.georgetown.edu/wp-content/uploads/2021/01/Public-Health-Emergency-Message-to-Governors.pdf

Telemedicine

- **Location**
- **Device**
- **Services**
- **Provider**
- **Payment**
- **Relationship**

…but does the Federal Government have the ability to change the entire U.S. health care industry?

Telemedicine

Reimbursement
Federal laws (HIPAA, Rx)

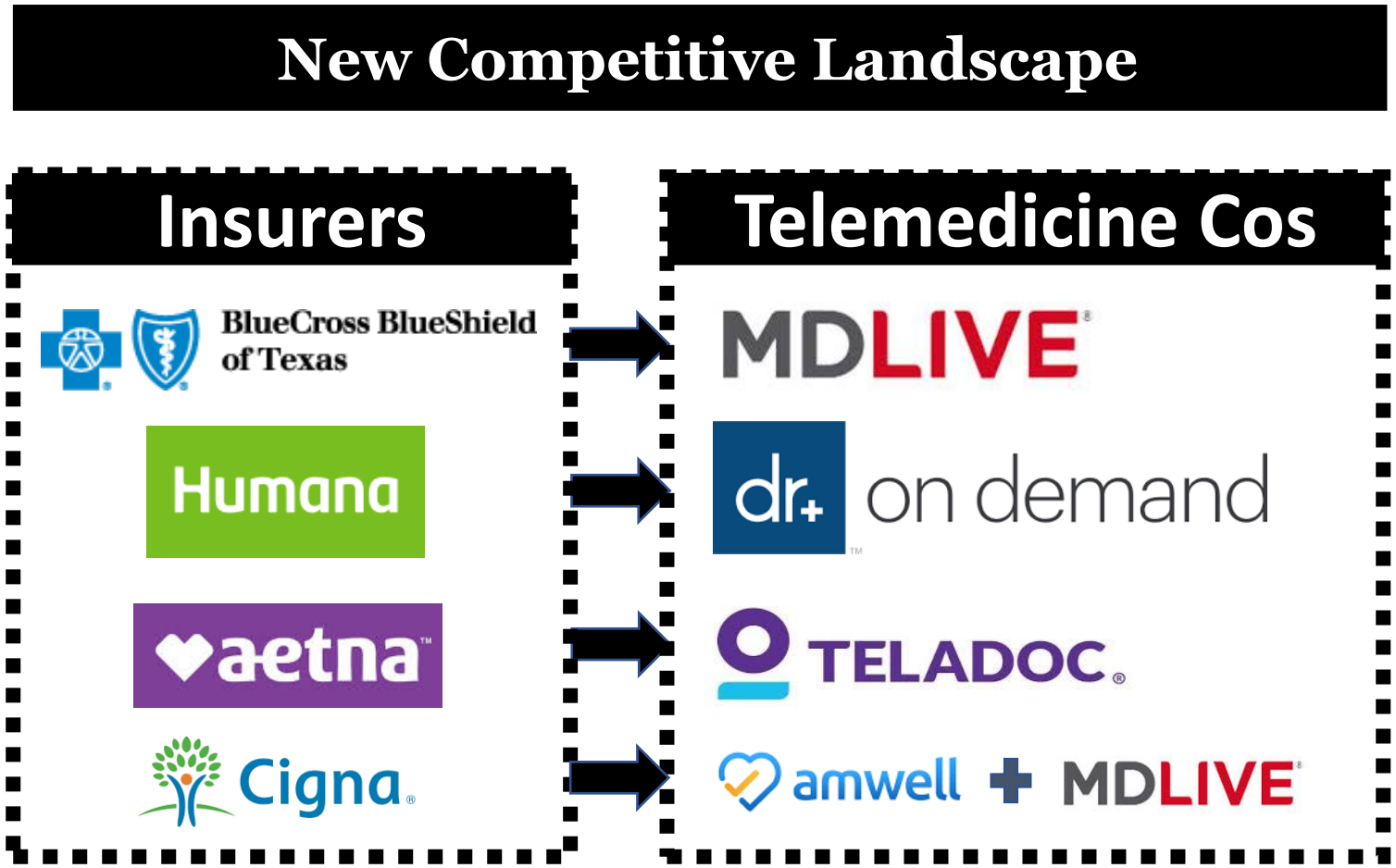
1 Decision Maker

Physicians' practicing across state lines requires decision making from 50 states

Hope? Interstate Medical Licensure Compact
https://www.imlcc.org/

fsmb FEDERATION OF STATE MEDICAL BOARDS www.fsmb.org

Telemedicine



Telemedicine

New Competitive Landscape

Telemedicine

- Relationships between the payers and employers mean they're in driver seat *(e.g., telemedicine is free, while patient charged a copay to see you)*
- Big money is involved
- Changes traditional paradigm of referrals for care

New Administration

- **Balance Billing Initiative**
- **Telemedicine**
- **Drug Pricing**
- **Value-Based Care**

Surprise Billing Legislation Passed; Independent Dispute Resolution

Single-Payer System

Note: These represent speaker's opinion about upcoming legislative actions

Patient Financial Accountability

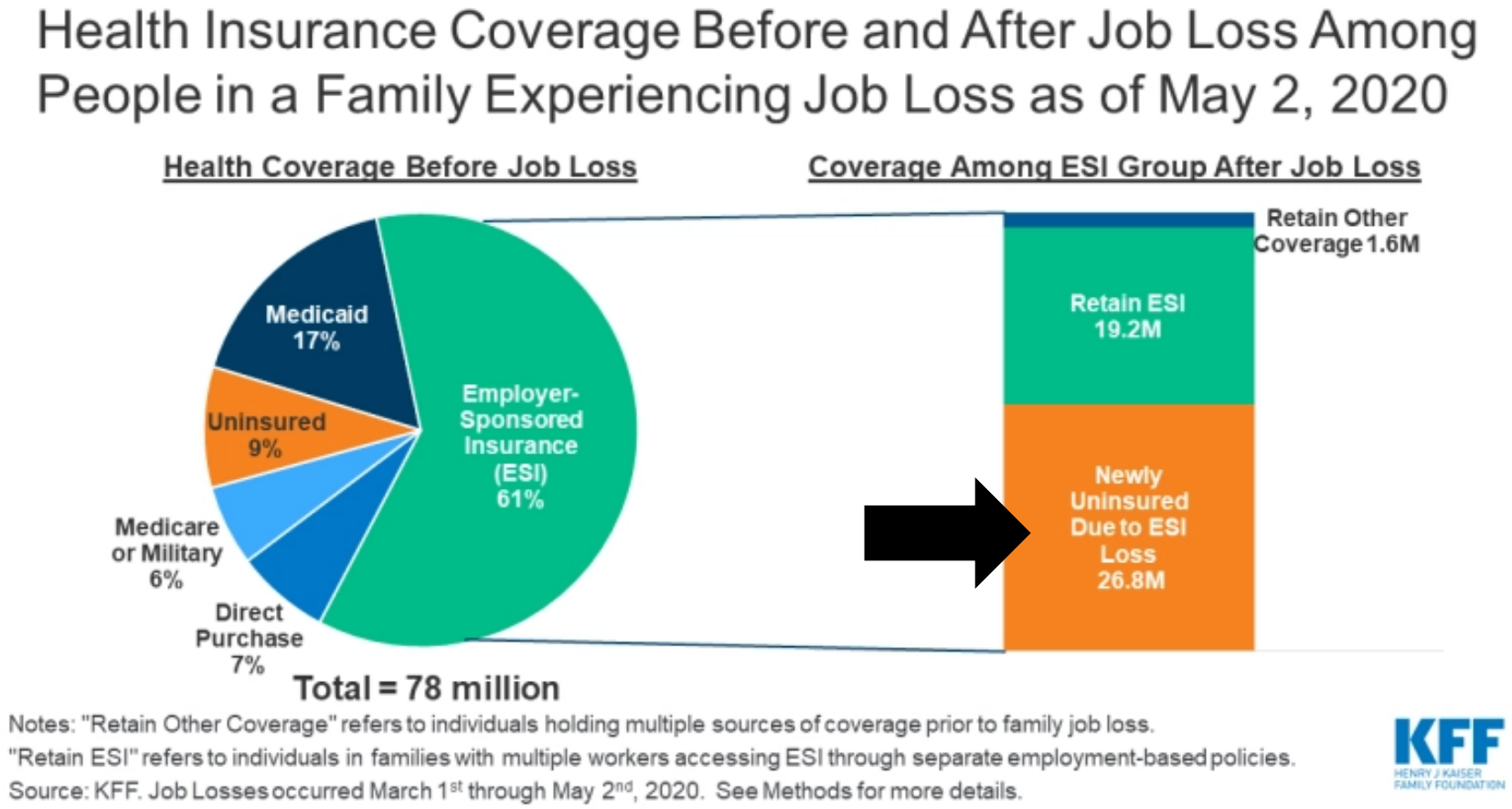
HRSA's COVID-19 Uninsured Program

https://www.hrsa.gov/CovidUninsuredClaim

COVID-19 testing or treatment for uninsured individuals with a COVID-19 diagnosis on or after February 4, 2020 paid at Medicare rates.

DOS = date of service; MA = Medicare Advantage

Patient Financial Accountability



Medicaid enrollment is increasing … February 2020 to July 2020 show that enrollment increased by 4.3 million or 6.1%.

https://www.kff.org/coronavirus-covid-19/issue-brief/growth-in-medicaid-mco-enrollment-during-the-covid-19-pandemic/

Patient Financial Accountability

Expenses incurred prior to coverage.
Expenses incurred during lapse in coverage.
Expenses incurred after coverage terminated.
Patient cannot be identified as our insured.
Lifetime benefit maximum has been reached.
Claim/service not covered by this payer/contractor. You must send the claim/service to the correct payer/contractor.
Patient/Insured health identification number and name do not match.
Our records indicate the patient is not an eligible dependent.
Patient has not met the required eligibility requirements.
This care may be covered by another payer per coordination of benefits.
Claim spans eligible and ineligible periods of coverage, this is the reduction for the ineligible period.

Workflow Accommodates "Contactless" Payment

Conclusion

- Unprecedented Times
- Medicare Reimbursement
- CPT 2021
- Telemedicine
- New Administration
- Patient Financial Accountability
- Q&A Period

Q&A

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Speaker, Author, Consultant
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Thank you!

Jones Roth

Healthcare CPAs & Advisors

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Appendix

Time	Calculation	Total
4 minutes @ admin time	$0.278/min * 4 min	$1.12
6 minutes @ clinical time	$0.587/min * 6 min	$3.52
3 surgical masks	3 * $.08	$0.24
Cleaning supplies	$0.24	$0.24

$5.12

America Medical Association offers example…
"Time over what is included in the primary service of clinical staff time (registered nurse [RN]/ licensed practical nurse [LPN]/ medical technical assistant [MTA]) to conduct a pre-visit phone call to screen the patient (symptom check), provide instructions on social distancing during the visit, check patients for symptoms upon arrival, apply and remove PPE, and perform additional cleaning of the examination/procedure/imaging rooms, equipment, and supplies
Three surgical masks
Cleaning supplies, including additional quantities of hand sanitizer and disinfecting wipes, sprays, and cleansers"

Sources: Salary Data from U.S. Bureau of Labor Statistics; 2019 Median Pay – Hourly converted to per Minute
https://www.ama-assn.org/system/files/2020-09/cpt-assistant-guide-coronavirus-september-2020.pdf